TEXAS Department of State Health Services

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Behavioral Health
NEWS BRIEF

Informing policy and practice in mental health and substance abuse services through data

Volume 1 ▪ Issue 3 ▪ June 19, 2006

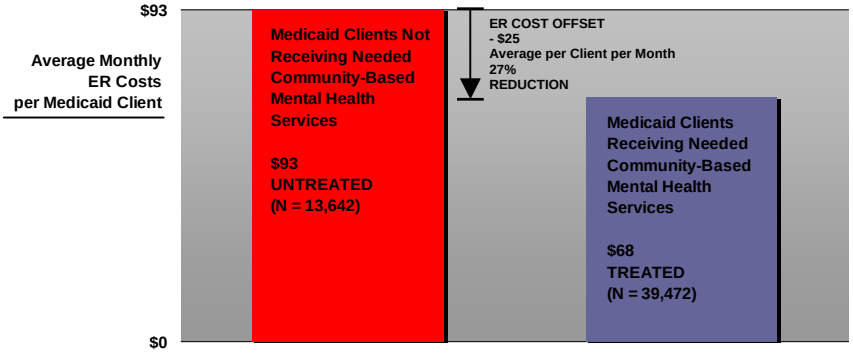
COMMUNITY MENTAL HEALTH DATA HIGHLIGHTS

DSHS Community Mental Health Treatment Helps Reduce Emergency Room Costs

Texas has the largest number of medically uninsured citizens among the 50 states. The growing number of uninsured Texans, combined with rising healthcare costs, places a financial burden on the Texas public healthcare system. To effectively meet the growing demand for public healthcare, DSHS must do what it can to offset these costs. Indeed, a recent study by the Research Team, Strategic Decision Support Group (Texas Health and Human Services Commission) shows that DSHS community-based mental health treatment plays an important role in offsetting healthcare costs by reducing hospital Emergency Room (ER) costs.

As *Figure 1* indicates, Fiscal Year 2005 average monthly ER costs among Medicaid clients receiving needed community-based mental health services were $68 vs. $93 among Medicaid clients not receiving needed community-based mental health services — an average savings of $25 per Medicaid client per month. In other words, Texas average monthly hospital ER costs for Fiscal Year 2005 were 27 percent lower for Medicaid clients receiving needed DSHS community mental health treatment. Since there were 13,642 untreated individuals in the study, the potential for savings over the course of time is noteworthy, to say the least.

Figure 1. **Fiscal Year 2005 Texas average monthly Emergency Room (ER) costs were 27 percent lower for Medicaid clients receiving needed DSHS community mental health treatment.**



Source: Research Team, Strategic Decision Support, HHSC, 3/23/2006.

While this study focused on Medicaid clients, there is every reason to believe that effective engagement in community-based mental health services would have similar effects among those who are medically indigent. As the Texas population continues to grow and the number of medically uninsured Texans continues to increase, DSHS must do everything possible to improve the efficiency of the system. Ensuring that individuals in need are effectively engaged in community mental health treatment can result in considerable cost savings to state and local governments in Texas.

MESSAGE FROM THE DEPUTY COMMISSIONER FOR BEHAVIORAL AND COMMUNITY HEALTH SERVICES

Dave Wanser, PhD

"Crisis" and "transformation". Each of these topics have recently been featured in a special issue of the *DSHS Behavioral Health News Brief* (http://www.dshs.state.tx.us/mentalhealth.shtm), the reason being that each is critical to the DSHS mission — "[to promote] optimal health for individuals and communities while providing effective health, mental health and substance abuse services to Texans". The on-going work to re-design the way mental health crisis services are delivered, and to transform the mental health system, more generally, are paramount to achieving the DSHS mission. It is imperative that we improve access, care, coordination, and be responsive to the needs of Texans with mental illness and serious emotional disturbance by applying evidence to mental healthcare delivery, using information technology, aligning payment policies with quality improvement, and developing the workforce. We at DSHS must remain committed to these two imperatives. Richard E. Walton, Ph.D., and J. Richard Hackman, Ph.D., (1986), foremost authorities on organizational behavior, have shown that groups are "an expression of the needs and aspirations of the people who comprise them". We at DSHS need and aspire to give Texans access to quality behavioral health care.

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Walton, R.E., & Hackman, J.R. (1986). Groups under contrasting management strategies. In P.S. Goodman (Ed.), *Designing effective work groups* (pp. 168-201). San Francisco, CA: Jossey-Bass.

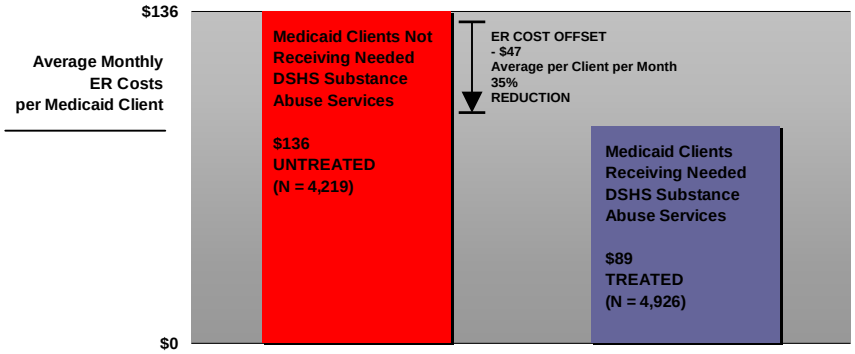
SUBSTANCE ABUSE DATA HIGHLIGHTS

DSHS Substance Abuse Treatment Helps Reduce Emergency Room Costs

It goes without saying that a health insurance organization like Medicaid is interested in decreasing medical costs for the most expensive, preventable, and reimbursable services, such as ER visits. Individuals who abuse alcohol and drugs typically visit the ER more often than others. The reasons may include substance abuse intoxication, or injuries due to violent acts or motor vehicle accidents while intoxicated. Therefore, effective substance abuse treatment might help reduce overall ER costs.

To examine whether this is case for DSHS substance abuse treatment services, the Research Team, Strategic Decision Support Group (Texas Health and Human Services Commission) compared two groups of clients. Medicaid clients who had a substance abuse diagnosis and received DSHS substance abuse treatment during Fiscal Year 2005 were compared to Medicaid clients who were chemically dependent but did not receive DSHS substance abuse treatment during Fiscal Year 2005.

Figure 2. **Fiscal Year 2005 Texas average monthly Emergency Room (ER) costs were almost 35 percent lower for Medicaid clients receiving needed DSHS substance abuse treatment.**



Source: Research Team, Strategic Decision Support, HHSC, 3/23/2006.

As *Figure 2* shows, Fiscal Year 2005 average monthly ER costs among Medicaid clients receiving needed DSHS substance abuse treatment services were $89 vs. $136 among Medicaid clients not receiving needed DSHS substance abuse treatment services — an average savings of $47 per Medicaid client per month. In other words, Texas average monthly hospital ER costs for Fiscal Year 2005 were almost 35 percent lower for Medicaid clients receiving needed DSHS substance abuse treatment. Because there were 4,219 untreated individuals in the study, the potential for savings over the course of time may be substantial.

Moreover, substance abuse treatment should yield similar effects among those who are medically indigent. Indeed, these findings support the idea that substance abuse treatment may help reduce ER costs in Texas. Further research is also needed to examine differences in the utilization of health services among an ever-increasing, ethnically-diverse population, as well as the costs of ER visits versus DSHS substance abuse treatment expenditures.

WHAT THE RESEARCH LITERATURE TEACHES US

Assessing Service Linkages of Substance Abuse Agencies with Primary Care and Mental Health Organizations

Fragmentation of substance abuse treatment represents a major barrier to effective treatment for individuals with co-occurring substance abuse and mental and physical health disorders (Calloway, Morrissey, Topping, & Fried, 2002). Linkages of substance abuse treatment organizations with primary care and mental health agencies are widely considered to be a feasible way to integrate services. A study by Shoou-Yih Lee, Joseph Morrissey, Kathleen Thomas, Craig Carter, and Alan Ellis published in the February 2006 issue of the *American Journal of Drug and Alcohol Abuse* analyzed information collected from a national sample of 62 Outpatient Substance Abuse Treatment units (OSATs) that participated in the 1999 National Drug Abuse Treatment System Study. The goal was to understand the extent of services linkages in these organizations, and to identify facilitators and barriers to service linkages. The data collection occurred in 2001 using a telephone interview with a designated respondent at each OSAT. The interview gathered information about the unit's organizational setting, staffing, client mix, accreditation, revenue, managed care involvement, and services. Each respondent was also asked to name up to three primary care organizations and up to three mental health agencies that provided service to the OSAT's substance abuse clients, to describe the nature of each pf these service linkages, and to indicate barriers to working with mental health and primary care agencies in general. Results showed that the OSATs had limited service linkages with primary care and mental health providers. The cited barriers to linkages included clients' financial problems, managed care restrictions, and limited organizational capacity. These findings suggest that there might still be a long way to go if linking the OSATs with primary and mental health care providers was considered a solution to the reorganization of substance abuse treatment. However, the pattern of service linkages in the OSATs did appear to reflect the health needs of substance abuse clients. Mental health problems were more prevalent than physical illnesses among the clients treated at the OSATs in the study sample. Correspondingly, the OSATs also had more service linkages with mental health agencies than with primary care providers. Therefore, the results suggest that OSATs might be responsive to client health needs in service design, irrespective of the idiosyncrasies of their organizational structure and the degree of their managed care involvement. Clearly, there are many lessons to be learned as DSHS strives to give Texans access to effectively delivered medical care, and mental health and substance abuse services.

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Lee, S., Morrissey, J., Thomas, K., Carter, W., & Ellis, A. (2006). Assessing the service linkages of substance abuse agencies with mental health and primary care organizations. *American Journal of Drug and Alcohol Abuse, 32,* 69-86.

QUESTION FROM THE ASSISTANT COMMISSIONER FOR MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES: "What have you done for clients today using data?" (Joe Vesowate)

ANSWER: Jennifer Miller (Contract Manager, Mental Health Contracts Management)

As contract manager, it is my responsibility to ensure Local Mental Health Authorities comply with current DSHS performance standards. The goal of the DSHS Performance Contract is to define the parameters for service provision to adults who have severe and persistent mental illnesses, and children with a diagnosis of mental illness who exhibit serious emotional, behavioral, or mental disorders. I use data to evaluate performance and contract compliance; inform varied contract related decisions; support responses to inquires from the field; etc., all to ensure the provision of appropriate, adequate, and contractually required services.

Longer Duration of Untreated Psychosis Associated with Worse Outcomes in People with First Episode Psychosis

Historically, the prognosis of Schizophrenia has been attributed to the unalterable influence of genetics and environment on early brain development (Weinberger & McClure, 2002). Anti-psychotic treatment has been proposed to address symptoms but not to alter the clinical course (Hegarty et al., 1994). However, over a decade's worth of longitudinal studies involving people with first episode Schizophrenia challenge this clinical pessimism, and "doomed from the womb" has been replaced with a belief that earlier treatment with anti-psychotics may alter outcomes. One such study was conducted by Max Marshall, M.D., and his colleagues. Published in the September 2005 issue of the *Archives of General Psychiatry*, the authors examined 26 studies involving 4,490 adult participants with first episode psychosis and Schizophrenia-like disorders. Marshall et al. found a consistent but modest relationship between longer duration of untreated psychosis and worse symptomatic and functional outcomes at a 6, 12, or 24 month follow up. Also, participants with longer duration of untreated psychosis were less likely to experience remission at 6, 12, or 24 months. This study lends strong support to the development of early intervention programs here in Texas, and the notion that psychosis and Schizophrenia are treatable.

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Marshall, M., Lewis, S. Lockwood, A., Drake, R., Jones, P., & Croudace, T. (2005). Association between duration of untreated psychosis and outcome in cohorts of first-episode patients: A systematic review. *Archives of General Psychiatry, 62*, 975-983.

UPCOMING EVENTS

July 19, 2006
Mental Health Transformation Workgroup
1:30-4:30pm
DSHS, Robert E. Moreton Building, M-739
1100 West 49th Street, Austin, Texas
For more information, visit http://www.dshs.state.tx.us/mhtransformation/

July 31-August 4, 2006
2006 Annual Texas Institute on Substance Abuse and Mental Health: Improving the Quality of Care for Texans
Renaissance Hotel
9721 Arboretum Boulevard, Austin, Texas
For more information, visit http://www.txsainstitute.com

August 14, 2006
Drug Demand Reduction Advisory Committee
1:00-4:00pm
DSHS, Robert E. Moreton Building, M-653
1100 West 49th Street, Austin, Texas
For more information, visit http://www.dshs.state.tx.us/sa/DDRAC205.pdf